

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: IX. 2.
Meeting Date: 02 OCT 2023**

TO: Mayor Rogin and Members of the Board of Trustees
FROM: Lead Planner David Kimmett, AICP
DATE: September 28, 2023
ITEM: Resolution 2023-60, Opting-In to Proposition 123

<input type="checkbox"/>	ORDINANCE
<input checked="" type="checkbox"/>	MOTION / RESOLUTION
<input type="checkbox"/>	INFORMATION

- I. **REQUEST OR ISSUE:** Proposition 123 (“Prop 123”) deadline to Opt-In for 2024 is November 1st
- II. **RECOMMENDED ACTION / NEXT STEP:** Elect to “opt-in”
- III. **FISCAL IMPACTS:** None to “opt-in.” However, if the Board elects to not opt-in for next year, the Town will not be able to access potential Prop 123 monies for 2024.
- IV. **BACKGROUND INFORMATION:** Prop 123 was a Colorado voter-approved ballot initiative in 2022. Its approval by the citizens of Colorado has created the State Affordable Housing Fund, dedicating 40% of funds to the Affordable Housing Support Fund administered by the Department of Local Affairs (DOLA) and 60% to the Affordable Housing Financing Fund overseen by the Colorado Office of Economic Development and International Trade (OEDIT) to fund housing programs.

By example, several hundred million dollars are available to local governments, nonprofits, community land trusts, and private entities to create affordable housing-related development to transpire in Opt-In communities. As of now, around 80 jurisdictions have elected to Opt-In, including Longmont, Boulder, Boulder County, Erie, and Estes Park, to name a few. Nederland is in the process of Opting-In.

Affordable housing strategies desired by the State under Prop 123 include:

- Grants and loans to local governments and nonprofit organizations to acquire and preserve land for affordable housing development
- Assistance to develop affordable, multi-family rental housing
- Equity investments in affordable housing projects, including a program to share home equity with tenants

- Homeownership programs and down payment assistance for first-time homebuyers
- A program addressing homelessness through rental assistance and eviction defense
- Grants to increase the capacity of local government planning departments

Further information can be gleaned from the DOLA: <https://engagedola.org/prop-123> and OEDIT: <https://oedit.colorado.gov/proposition-123-colorado-affordable-housing-financing-fund> webpages dedicated to Prop 123.

V. **LEGAL ISSUES:** None.

VI. **Commission Recommendations:** None.

VII. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None.

VIII. **SUMMARY AND ALTERNATIVES:**

Alternative 1: Do not Opt-In to Prop 123. This would deny access to funds for 2024 (and potentially late 2023), and if never elected by the Board in coming years, then these funds will be out of play for the Town.

Alternative 2: Do not Opt-In to Prop 123 at this time, awaiting further study by the Board and Staff. This would prevent access to 2024 funds, though would allow the Town to access 2025 funds should the Board elect to Opt-In by November 1, 2024.

Alternative 3: Opt-In at this time. By electing to Opt-In under Resolution 2023-60, the Town would be required to adhere to the standards of Proposition 123, which do have stipulations to which the Board will be committing the Town:

- Determining our “baseline” of affordable housing. How many affordable housing units would we need to create each year over the next 3 years (2024, 2025, 2026)? This is based on how many housing units we have now, and the State uses a formula spreadsheet to calculate this number.
- Should Lyons not meet its commitment of increasing affordable housing by 3% annually over the subsequent 3 years, the penalty for non-compliance would be that Lyons could not apply for Prop 123-based funding in 2027.
- However, if found non-compliant, Lyons could apply again in 2027 for the 2028-2030 three year period.

PROPOSED MOTION:

“I move to approve Resolution 2023-60.”